



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 29, 1999

H.R. 3077

A bill to amend the act that authorized construction of the San Luis Unit of the Central Valley Project, California, to facilitate water transfers in the Central Valley Project

As ordered reported by the House Committee on Resources on October 27, 1999

CBO estimates that implementing H.R. 3077 would not have a significant impact on discretionary spending over the 2001-2004 period. The bill would increase offsetting receipts from water users, thus reducing direct spending by about \$2 million annually; therefore, pay-as-you-go procedures would apply. H.R. 3077 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Under current law, the state of California cannot use federal water project facilities to provide water to users of the San Luis Unit of the Central Valley Project. H.R. 3077 would allow the state to use the San Luis Unit facilities to carry nonproject water to federal irrigation districts. Based on information from the Westlands Water District, we estimate the state would use federal water facilities to supply about 60,000 acre feet a year of nonproject water. CBO estimates that this activity would increase the Bureau of Reclamation's cost of operating and maintaining the project by \$400,000 annually. This amount would be subject to annual appropriation and would be reimbursed by water users in the year the costs are incurred.

In addition, this activity would generate increased receipts to the Bureau under the Warren Act, which allows the Secretary of the Interior to charge nonproject water users fees that are consistent with those charged to users of federal water. These receipts and reimbursements for operation and maintenance costs would be deposited in the Treasury as offsetting receipts. Based on information from the Bureau and Westlands Water District, CBO estimates that these receipts would average \$1.6 million a year, starting in 2001.

The CBO staff contact is Megan Carroll. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.